

Verizon New England Inc.
d/b/a Verizon Massachusetts
Commonwealth of Massachusetts
D.T.E. 97-88/18

Respondent: Peter Shepherd

Title: Director

REQUEST: Department of Telecommunications and Energy, Set #1

DATED: February 28, 2001

ITEM: DTE-VZ 1- Please refer to Verizon's TSLRIC study at 6. Explain why the
1 rate/cost ratio of 2.81 for Direct Dial Screening is reasonable.

REPLY: Verizon MA explains on page 6 that the 2.81 rate / cost ratio is reasonable for two reasons. First, the rate (numerator) is less than the FCC approved rate for the same service. Second, the result (the ratio) is less than the ratio approved by the FCC for other payphone features.

Please see the attached FCC orders relating to ratios of rates to direct costs for payphone features.

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Verizon New England Inc.
d/b/a Verizon Massachusetts
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D.T.E. 97-88/18

Respondent: Fred Miller

Title: Senior Specialist

REQUEST: Department of Telecommunications and Energy, Set #1

DATED: February 28, 2001

ITEM: DTE-VZ 1-2 Please identify and explain the difference, if any, between Verizon's TSLRIC study and the Massachusetts Total Element Long-run Incremental Cost ("TELRIC") Compliance Filing of February 5, 1997, in Phase 4-A of the Consolidated Arbitrations, D.P.U./D.T.E. 96-73/74, 96-75, 96-80/81, 96-83, 96-94 used in developing the costs of a loop and an end-office port.

REPLY: The loop model for the TSLRIC study is based on the same network model used in the TELRIC study. However, the loop length and loop electronics related investments are pay phone-specific in the TSLRIC study, whereas in the TELRIC study the investment base includes all classes of lines. There are no difference in the end-office port investments between the two studies.

For the differences in carrying charge factors, please see Verizon MA's Reply to NEPCC 1-8.

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ITEM: DTE-VZ 1-3 Please refer to Verizon's TSLRIC study at 6. Indicate whether the direct cost of PAL, BCAL 1&2, Charge-A-Call and Inmate payphones includes a subscriber line charge ("SLC"). If not, please explain why not.

REPLY: With respect to the access line services listed, the subscriber line charge ("SLC") is not included as part of the "Direct Cost" on page 6 of Verizon MA's January 29, 2001 compliance filing. Rather, the SLC is included within the "Rate" identified on the same page in accordance with the Department's November 28, 2000 Order at page 20. The SLC is a cost recovery mechanism and is properly included with the revenue generating elements. It recovers a portion of the "Direct" costs of the loop.

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